

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7823

BILL NUMBER: SB 364

DATE PREPARED: Jan 22, 2001

BILL AMENDED:

SUBJECT: Voluntary compliance certificate of completion.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires the Commissioner of the Department of Environmental Management (IDEM) to issue a certificate of completion under the voluntary remediation program if an applicant presents to the Commissioner a letter of certification from a qualifying insurance company that the applicant has substantially complied with the program. The bill directs the Department of Environmental Management to issue a guidance document establishing the requirements for qualification as a qualifying insurance company and for showing substantial compliance with the program.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) This bill requires IDEM to issue a certificate of completion under the voluntary remediation program if an applicant presents to the Commissioner a letter of certification from a qualifying insurance company that the applicant has substantially complied with the program. The bill also directs IDEM to issue a guidance document establishing the requirements for qualification as a qualifying insurance company and for showing substantial compliance with the program.

IDEM would continue to review information submitted by a qualified insurance company or by the applicant to determine that the applicant has successfully completed the voluntary work plan before a certificate of completion is issued by the Commissioner. This proposal would also add the following responsibilities to IDEM:

- developing and keeping up-to-date a guidance document that would establish the requirements for qualification of an insurance company.
- establishing and maintaining a program for qualifying insurance companies, which may include writing and administering a qualification exam, checking ratings, conducting background checks on the insurance companies and their staff, and answering questions and being a resource to the insurance companies.
- reviewing the work submitted by a qualified insurance company.

In order to accomplish the above, IDEM will need to hire one Senior Environmental Manager at an estimated cost of \$58,000 per year, including fringe benefits. Currently, staff in IDEM's Voluntary Remediation Program are funded through the Voluntary Remediation Fund and the U.S. EPA Superfund Core Grant for site-specific activities. Salary for the additional duties as provided in the proposed legislation would not qualify to be funded by either means, except possibly for reviewing the work of the insurance companies. An additional source of funding would be needed to the position.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Environmental Management

Local Agencies Affected:

Information Sources: Erika Seydel Cheney, Director of the Office of Business and Legislative Relations, IDEM (317) 232-8598.